DOCUMENT RESUME

ED 134 124 HE 008 610

AUTHOR	Cliff, Rosemary
TITLE	Faculty Retirement: A Preliminary Study.
INSTITUTION	University of Southern California, Los Angeles. Office of Institutional Studies.
REPORT NO	OIS/74-02
PUB DATE	Mar 74
NOTE	16p.
AVAILABLE FROM	University of Southern California, Office of Institutional Studies, Los Angeles, California 90007 ($0.75)
EDRS PRICE	MF-$0.83 HC-$1.67 Plus Postage.
DESCRIPTORS	*Age; *College Faculty; Higher Education; *Income; Older Adults; *Personnel Policy; Planning; Questionnaires; School Surveys; *Teacher Attitudes; *Teacher Retirement; Teacher Welfare
IDENTIFIERS	*University of Southern California

ABSTRACT

Seven questions dealing with retirement needs and expectations were included in a comprehensive questionnaire distributed to a sample of University of Southern California faculty in the fall of 1973 to obtain preliminary information for developing a more detailed study. The response to these items suggests that although most faculty now expect to retire at the age of 65, as specified by current policy, a significant proportion would prefer to retire at an earlier age if their situation allowed for adequate income and continued professional involvement. (Author/LBH)

****
* Documents acquired by ERIC include many informal unpublished *
* materials not available from other sources. ERIC makes every effort *
* to obtain the best copy available. Nevertheless, items of marginal *
* reproducibility are often encountered and this affects the quality *
* of the microfiche and hardcopy reproductions ERIC makes available *
* via the ERIC Document Reproduction Service (EDRS). EDRS is not *
* responsible for the quality of the original document. Reproductions *
* supplied by EDRS are the best that can be made from the original. *
****

OIS/74-02

ED134124

FACULTY RETIREMENT:
A PRELIMINARY STUDY

BY
ROSEMARY CLIFF

U S DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
EDUCATION

THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY

HE 008 610

University of Southern California
Office of Institutional Studies
March 1974

Table of Contents

	Page
SUMMARY	ii
INTRODUCTION	1
RESULTS	2
Age to Retire	2
Sources of Income	5
Professional Activities	6
Early Retirement	8
CONCLUSIONS	8
APPENDIX	11

List of Tables

1.	Expected Age to Retire	2
2.	Preferred Age to Retire	3
3.	Do you Expect to Remain at USC until Retirement?	4
4.	Sources of Retirement Income	6
5.	Anticipated Professional Activities	7
6.	Conditions for Early Retirement	9

SUMMARY

Seven questions dealing with retirement needs and expectations were included in a comprehensive questionnaire distributed to a sample of USC faculty in the Fall of 1973 for the purpose of obtaining preliminary information to guide the development of a more detailed study.

The response to these items suggest that although most faculty now expect to retire at the age of 65, as specified by current policy, a significant proportion would prefer to retire at an earlier age if their situation allowed for adequate income and continued professional involvement.

FACULTY RETIREMENT
A Preliminary Study

INTRODUCTION

A comprehensive questionnaire designed by the Office of Institutional Studies was distributed in the Fall of 1973 to a stratified sample of the USC faculty. Included in the questionnaire were seven questions dealing with the faculty's needs and expectations concerning retirement. The items were designed to provide preliminary information to guide the development of a more detailed study.

A stratified sample of 40% of the number of 1973-1974 faculty was selected to receive the questionnaire in all schools except Medicine, where only 17% were selected. A total of 289 answered questionnaires were returned, 68% of the original sample. Analyses revealed that the schools of Law and Public Administration, as well as Medicine, are under represented among the respondents. For more detail on the selection of the sample, please see OIS Report 73/5 (in preparation).

The basic analyses used the chi-square technique to evaluate differences in item responses related to the age of the respondents and to their school affiliation within the university. A preliminary check revealed no difference in the age distributions of the faculty who answered the questionnaire and those who did not.

RESULTS

Age to Retire

The current USC policy establishes an automatic retirement age of 65. The policy permits annual reappointments until the age of 70, at the discretion of the university. When asked to state the age at which they expected to retire from full-time employment most faculty answered with the traditional 65. Table 1 indicates some differences in the responses of the different age groups. Those faculty still in their twenties anticipated an earlier retirement age and the expectation of continuing to work till age 70 increased with the age of the respondent.

Table 1

Expected Age to Retire

Percentage of Faculty in Each Age Group Selecting Each Alternative

Age in 1973	Expected Age to Retire				No Response	n
	<65	65	66-70	70+		
<30	40%	30%	0%	10%	20%	10
30-39	18%	54%	6%	11%	12%	91
40-49	18%	61%	9%	6%	6%	88
50-59	20%	61%	9%	1%	9%	70
60 +	4%	48%	35%	4%	9%	23
Total	18%	57%	10%	6%	9%	282

The preferred age to retire also increased with the age of the respondent. For all age groups except those 60 or older, the preferred age to retire cited by the largest number of respondents was before 65. The majority of the faculty respondents now in their sixties would prefer to continue past the age of 65.

Thirty-seven percent of the faculty respondents do plan to stay at USC until retirement. As might be expected, the percentage with definite intentions to stay increase sharply with the age of the respondent. This breakdown is given in Table 3.

Table 2
Preferred Age to Retire

Age in 1973	<65	65	66-70	70+	No Response	n
<30	50%	10%	0%	10%	30%	10
30-39	33%	24%	10%	12%	21%	91
40-49	43%	25%	15%	10%	7%	88
50-59	39%	21%	20%	6%	14%	70
60 +	4%	26%	44%	9%	17%	23
Total	36%	23%	16%	10%	15%	282

Table 3

Do You Expect to Remain at USC Until Retirement?

Percent of Respondents in Each Age Group Selecting Each Response

	Age in 1973					
Response	<30	30-39	40-49	50-59	60+	Total
Yes	0%	10%	33%	63%	96%	37%
Not sure	60%	55%	59%	32%	4%	47%
No	40%	35%	8%	4%	0%	16%
n	10	89	88	68	23	278

Sources of Income

The faculty was asked to give rough estimates of the proportion of their total income that they would expect to receive from each of six sources during the first five years after retirement. Responses were in the form of "all", "most", "about half", "some", or "none." The responses, tabulated in Table 4, illustrate primarily the difficulties of making these estimates. There were a large number of faculty who could not make any estimate and among those who did make an estimate the most frequent response was "some" from all sources except full-time employment. Only 26 individuals (9% of the total sample) definitely expected to have full-time employment and 111 (38% of the total sample) were definitely not expecting income from full-time employment after retirement. The TIAA/CREF program and savings investments are seen as being the most important sources of income for most faculty with an addition from Social Security. Half of the sample anticipate part-time employment.

A breakdown of responses according to school affiliation gave significant chi-squares for TIAA/CREF and Social Security income sources that appear to be attributable to varying degrees of ability to make an estimate. The faculty of Law, Medicine and Dentistry, which were combined for this analysis, are somewhat more likely than the other faculty to expect half or more of their income from other retirement programs. A comparison of responses by age of respondent revealed no significant differences.

Table 4
Sources of Retirement Income

Source	Percentage of Those Making an Estimate				Percentage of Total Sample	
	All or Most	About Half	Some	None	Making an Estimate	Estimating Some or More
TIAA/CREF	30%	20%	41%	9%	81%	73%
Social Security	4%	5%	86%	5%	83%	80%
Other Retirement Program	6%	8%	42%	45%	56%	31%
Savings/Investments	17%	13%	62%	8%	75%	69%
Part-time Employment	5%	10%	65%	19%	64%	52%
Full-time Employment	7%	3%	9%	81%	47%	9%

Professional Activities

The faculty were asked to indicate whether or not they expected to engage in one or more of seven different types of professional activities during the first five years after retirement. Responses were "Yes", "Not Sure", or "No." The percentage of faculty in each school saying yes to each of the listed activities is detailed in Table 5 along with the percentage of the total sample giving each response.

It can be seen that relatively few faculty at this time are anticipating full-time work or part-time academic positions. For the most part they are looking forward to consulting and/or independent writing/research/lecturing. A comparison of the responses of those fifty or older with the responses of those less than fifty revealed no significant differences.

This item, like the one before, also attracted a large number of "No Responses" and "Not Sure" and supports the finding that only 24% of the faculty sample believe that a retirement planning and counseling program would not be of benefit to them. 38% of the faculty thought that they would benefit from such a program and the rest were unsure.

Table 5

QUESTION : During the first five years after retirement do you expect to engage in the professional activities listed below?

	Percentage of Total Sample Giving Each Response (N = 282)			
	Yes	Not Sure	No	No Response
Full-time at USC	5%	23%	53%	20%
Part-time at USC*	11%	45%	28%	16%
Full-time Academic	1%	27%	51%	20%
Part-time Academic	11%	51%	22%	16%
Independent Work	48%	31%	8%	12%
Consulting*	45%	29%	13%	13%
Second Career*	9%	34%	38%	19%

	Percentage of Faculty in Each School Saying Yes							
Professional Activity	SAFA & Perf. Arts	Bus.	Eng.	Humts.	Nat Sci.	Soc Sci.	Med/Law Dent	All Others
Full-time at USC	0%	8%	0%	13%	3%	5%	4%	4%
Part-time at USC*	11%	15%	15%	13%	20%	0%	9%	11%
Full-time Academic	0%	8%	0%	4%	0%	3%	0%	0%
Part-time Academic	16%	4%	8%	9%	13%	16%	8%	15%
Independent Work	63%	50%	37%	48%	47%	65%	42%	43%
Consulting*	32%	62%	52%	4%	30%	54%	53%	46%
Second Career*	16%	15%	4%	0%	13%	11%	10%	4%
n	19	26	27	23	30	37	76	44

*The difference among the schools is statistically significant.

Conditions For Early Retirement

To explore the needs of the faculty in the event of retirement before age 65, the faculty were asked to indicate which conditions would have to be satisfied. Two-thirds said that they would need supplemental retirement income to total that available at 65. Sixteen percent preferred to supply the additional income themselves by part-time employment and another 16% wanted full-time employment. The most popular combination was supplemental retirement income plus part-time employment and continuation of all fringe benefits. Only 25% of the respondents would not need either full-time or part-time employment.

The number and percentage of respondents choosing each combination of alternative situations are given in Table 6. There were no significant differences in the distribution of the responses of the different age groups or of the faculty grouped by school.

Discussion and Conclusions

A limitation of this preliminary study is the lack of clear definition of the concept of "retirement." This could mean a change of full-time employment, either in function or location. It could mean the ending of a single full-time job or the cessation of all professional activities. It could mean the time at which one begins receiving income from one's retirement program or it may mean merely the achievement of age 65. Although this questionnaire was deliberately non-committal, to allow for a full range of possibilities, the reponses shown in Tables 4 and 5 appear to indicate that the majority did interpret retirement as an end to full-time employment. Further studies should define the term precisely and the period of life that is to be studied.

TABLE 6

Conditions for Early Retirement

(N = 239)

	n	%
Total needing supplemental retirement income to total that available at age 65	158	66%
Supplemental income only	28	12%
Supplemental income and part-time employment	21	9%
Supplemental income and full-time employment	7	3%
Supplemental income and fringe benefits	26	11%
Supplemental income and part-time employment and fringe benefits	58	24%
Supplemental income and full-time employment and fringe benefits	18	8%
Total needing part-time employment	117	49%
Part-time employment only	31	13%
Part-time employment and fringe benefits	7	3%
Total needing full-time employment	63	26%
Full-time employment only	26	11%
Full-time employment and fringe benefits	12	5%
Total needing fringe benefits	126	53%
Fringe benefits only	5	2%

In general, the results of this study indicate the desirability of offering alternate retirement plans. Although the majority of the faculty respondents expect to be retired at age 65 and plan their lives accordingly, a significant proportion, 36%, would prefer an earlier retirement age. The large proportion who would want employment after an early retirement suggests that a university wishing to institute an early retirement program would do well to facilitate faculty mobility, especially into part-time jobs.

APPENDIX
Questionnaire Items

CIRCLE A RESPONSE NUMBER FOR EACH ITEM

10. At what age do you expect to retire from regular full-time employment? _____

11. Do you expect to remain at USC until retirement?

Yes 3
Not sure 2
No 1

12. Approximately how much of your income during the first five years after retirement do you expect to receive from each of the following sources?

Responses			
6	All	3	Some
5	Most	2	None
4	About half	1	Cannot estimate

TIAA/CREF	6	5	4	3	2	1
Social Security	6	5	4	3	2	1
Other retirement programs	6	5	4	3	2	1
Savings and investments	6	5	4	3	2	1
Part-time employment.	6	5	4	3	2	1
Full-time employment.	6	5	4	3	2	1

13. During the first five years after retirement do you expect to engage in the professional activities listed below?

Responses					
3	Yes	2	Not Sure	1	No

Full-time position at USC	3	2	1
Part-time position at USC	3	2	1
Full-time academic work elsewhere	3	2	1
Part-time academic work elsewhere	3	2	1
Independent writing / research / lecturing.	3	2	1
Consulting.	3	2	1
A second career	3	2	1

14. At what age would you prefer to retire?. . . . . _____

15. If you were to retire earlier than at age 65, which of the following conditions would have to be satisfied? Circle all that apply.

Supplemental retirement income to total that available at age 65 1
Part-time professional employment. 2
Other full-time professional employment. 3
Continuation of all Fringe Benefits. 4
Other (please specify) 5

_____

_____

16. Would a retirement planning and counseling program be beneficial to you?

Yes 3
Not sure. . . 2
No. 1